



ARUBA



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C.C. Garvin, Jr.:

'82, difficult year for industry

Exxon's net income rose 6.9% to \$1,480 million in the fourth quarter of 1982. For the year, however, net income earnings fell 13.3% compared with 1981.

Exxon Chairman C.C. Garvin, Jr. made the following comments on the operating environment in 1982:

"The year just concluded must be judged as a difficult one for the petroleum industry. Exxon, along with the industry in general, was faced with continuing reductions in demand for petroleum and chemical products and related excess capacity in all phases of these operations.

"In this environment, Exxon took various actions which should have continuing beneficial financial effects, including streamlining current operations through inventory reductions, plant closures and staff reductions, slowing down the rate of growth in capital expenditures, postponing some planned major projects and reducing and restructuring debt to reduce overall borrowing costs and maintain the corporation's strong financial condition. External debt was reduced approximately one billion dollars during 1982."

Garvin then went on to analyze specific 1982 results by major business segments:

"Petroleum exploration and production earnings in the U.S. of \$1,873 million were down 17% from 1981. Higher

exploration costs, together with higher producing operating expenses and provision for the disposition of certain regulatory and tax matters, were the main factors in the earnings decline.

"Abroad, petroleum exploration and production earnings totaled \$1,519 million, down from \$1,856 million in 1981. Lower earnings from Aramco and higher operating costs, including taxes and royalties, contributed to the decline. Natural gas production in Europe declined. Purchased crude oil supplies under long-term agreements with foreign governments declined 34%.

"Earnings from refining and marketing operations in the U.S. were \$447 million, up from \$87 million in 1981. The absence of unfavorable cost adjustments booked in 1981 associated with wind up of the crude oil price control regulations, together with improved margins in 1982, accounted for the earnings improvement.

"Foreign refining and marketing operations were severely impacted by the unfavorable prevailing market conditions. Earnings totaled \$666 million, down from \$1,021 million in 1981, with the major impact in Europe.

"International marine operations incurred losses of \$98 million as compared with earnings of \$29 million in the previous year.

"In other energy operations, net losses of \$102 million were dominated by the charges against earnings for mothballing the Colony Shale Project in Colorado.

"Earnings from worldwide chemical operations declined 61% to \$92 million from \$238 million in 1981 and were particularly severe in the U.S. and Canada.

The Other Operations segment had earnings of \$36 million as contrasted with losses of \$43 million in the previous year. Real estate operations continued profitable."

C.C. Garvin, Jr.:

'82, año difícil pa industria

E entrada neto den ultimo trimester di '82 a subi cu 6.9% te na \$1,480 miyon den e di cuatro trimester di año 1982. Pa henter e año, sin embargo, ganashi neto di entrada a baha cu 13.3% compará cu 1981.

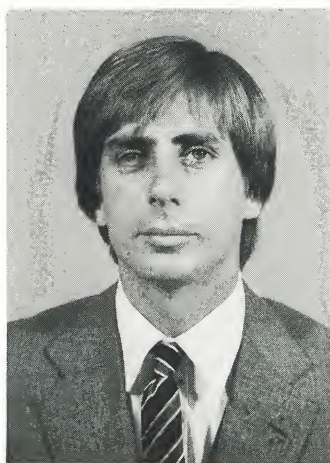
Chairman di Exxon, C.C. Garvin, Jr., a haci e siguiente remarcacion tocante e circunstancianan di operacion den 1982: "Mester considerá e año cu a pasa como un año difícil pa industria petrolera. Exxon, hunto cu e industria en general, mester a trata cu reduccionnan continuo den demanda di petroleo y productonan quimica y, relaciona cu esey, capacidad excesivo den tur fase di tal operacion.

(cont. ariba pag. 3)

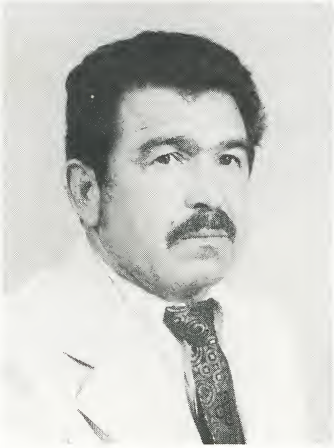
Promotions



Bernhard Kalis
Refining Engineer
Process Department



Logan Caldwell
Senior Refining Engineer
Technical Department



Louis Maduro
30 years

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Pabien!



Margareta Maduro
Controller's Department

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Welcome

? *I would like to know ...*

Editorial note: From time to time, certain questions will repeatedly be asked by employees. Whenever it is felt that other employees would also benefit from such questions and answers, it will be further publicized. Below follows a question that has been frequently asked during the last few months.

Question: What are the procedures I should follow with my Dental/Medical claim form?

Answer: As was announced in a letter to all employees at the end of December '82, changes have been made in the claims procedure. The upper portion of the claim form, available at Rm. 155 of the G.O.B., should be completed by the employee. After the doctor or hospital fills out the backside of the form, it should be forwarded to American Life Insurance Company (ALICO). The Insurance Company will then pay the doctor or hospital in accordance with the Program and send you an 'Explanation and Benefits' copy. This will inform you on what the Insurance Company has paid, when, and will show you the balance, if any, which you owe the provider. If you have paid your bill, you should attach your 'paid' receipt with the form and send it to the Insurance Company which will then make payment directly to you.

Resultado di Exxon *(cont. di pag. 2)*

"Den e ambiente aki, Exxon a tuma varios medida cualnan lo mester tin, a base continuo, efectonan financiero beneficoso, incluyendo haci e operacion actual mas eficiente pa medio di reduccion di inventario, sera planta y reduci personal, mengua crecimiento den gastonan di capital, pospone algun proyectonan grandi cu ya tabata planea, y reduci y restructura debenan pa reduci gastonan total di prestamo y pa mantene e condicion financiero fuerte di e corporacion. Debenan externo a ser reduci cu mas o menos un biyon di dollar durante aña 1982.

"Siguiementemente, Garvin a sigi analisa e resultadonan especifico di 1982 segun segmentonan principal di e negoshi.

Ganashi di exploracion y produccion di petroleo den E.U. di \$1,873 miyon a baha cu 17% for di 1981. E factornan principal pa e reduccion di ganashi tabata gastonan mas halto di exploracion, hunto cu gastonan mas halto di operacion di produccion, y provision pa disposicion di asuntonan di regulacion y impuesto.

"Den exterior, ganashi di produccion y exploracion di petroleo a yega na un total di \$1,519 miyon, un rebaho di e \$1,856 miyon na 1981.

Menos ganashi di Aramco y aumento den gasto di operacion, incluyendo impuesto y pago di ganancia, a contribui na e rebaho. Produccion di gas natural na

Europa a baha. Suministro di petroleo crudo cumprá bao di acuerdo a largo plazo cu gobiernonan stranhero a baha cu 34%.

"Ganashi di operacion di refinacion y mercadeo den E.U. tabata \$447 miyon, un aumento for di e \$87 miyon na 1981. E ausencia di e ahustenan desfavorable di gasto cu a ser notá na 1981 asociá cu e arreglo di e regulacion di control di prijs di petroleo crudo, hunto cu un margen mehora na 1982, tabata responsabel pa e mehoracion den ganancia.

"Operacion den exterior di refinacion y mercado a haya un sla duro door di e condicion di mercado desfavorable cu ta prevalece. Ganashi a suma na \$666 miyon, un rebaho for di e \$1,021 miyon na 1981, cu e major impacto na Europa. Operacion maritima internacional a corre cu debe di \$98 miyon, en comparacion cu e ganashi di \$29 miyon di e aña anterior.

"Den otro operacionnan di energia, perdidanen neto di \$102 miyon a ser domina pa e cobranza en contra di e ganashi pa desbaratá e Colony Shale Project na Colorado.

"Ganashi di operacionnan quimica mundial a baha cu 61% pa \$92 miyon for di \$238 miyon na 1981 y tabata particularmente severo den E.U. y Canada.

"E segmentonan di Otro Operacionnan tabatin ganashi di \$36 miyon en contraste cu e \$43 miyon di perdida den en aña anterior. Operacion di "real estate" a sigi cu ganashi."

New CWA signed by Lago, IOWUA

On February 11, 1983, the Independent Oil Workers Union of Aruba and Lago signed the new Collective Working Agreement, which became effective on February 1, 1983, and will expire on July 15, 1986.

On behalf of Lago the new contract was signed by President G.E. Golden, Employee Relations Manager H.F. Coffi and Chairman of the Management Bargaining Representatives M. Angela.

IOWUA signatories were M. Arends, President; F. Garrido, General Secretary; and R.C. Boekhoudt, Treasurer.

The new CWA was ratified when Union members voted on January 28 to accept the Agreement in Principle as was priorly accorded by IOWUA and Lago representatives.

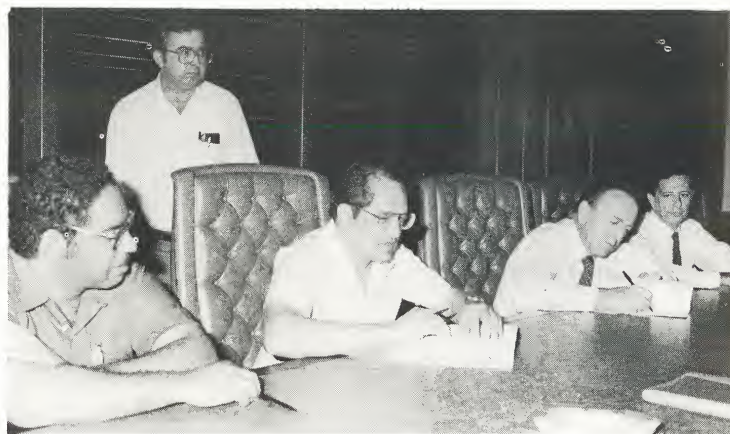
The main improvements in the new CWA are:

*** 11.0% General Wage Increase which includes a general improvement increase of 4%, in addition to COL compensation.

*** Three times a year Cost-Of-Living (COL) adjustments on wages.



Lago's office personnel are now also receiving training in fire fighting. In a recently established program, man and woman are taught to use the equipment for extinguishing building fires and also learn the evacuation procedures in case of emergencies. The Fire Section is planning to conduct this training once a month for the next ten months to cover most office personnel.



Sitting from left to right, CWA signatories for Lago Messrs. Henri Coffi, Marciano Angela and Jerry Golden, with Tony Cavallaro looking on. Standing, Mitch Henriquez of Labor Relations.

*** 1% Increase in the Company's contribution to the Vacation Savings Plan (from 5% to 6%).

*** A one-time lumpsum of Fls. 550.

*** Increase in shift differential from Fls. 1.49 to Fls. 1.75 per hour.

*** Increase in overtime lunch reimbursement from Fls. 2.15 to Fls. 2.50 per hour.

*** Increase in overtime car transportation from 50 to 52 cents per kilometer.

*** Service-in-Grade Increments increased to:

5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
20c hr	28c hr	45c hr	56c hr	62c hr

*** Improvement in Vacation days for those with over one year of service, from 15 to 18 days and for those with over 20 years of service from 23 to 24 vacation days.

*** The Medical Expense Reimbursement Plan and the Long Service Recognition Program have been significantly improved. Extensive coverage to these programs was given in the February issue of the Aruba Esso News.

*** The Dental Plan now covers 75% of preventive care treatment with a maximum of Fls. 100 per person per calendar year. It also covers 50% of basic and major treatment up to Fls. 1000 per person per year and Fls. 2500 per family per year in or outside the Netherlands Antilles. The Plan has been extended to cover children up to 23 years of age when attending school and also includes children 19 years and over when not capable of self-sustaining employment by reason of mental retardation or physical handicap if so approved by Lago's Medical Director.

*** Additional time off with pay has been given for the birth of employee's legal child or legally recognized child, change of employee's residence to register move, for receipt of 10-year service award, and for Union business meetings.

Furthermore, the traditional Christmas bonus will continue to be paid in the form of a 4-week regular pay in December of 1983, '84, and '85. The year-end lumpsum payment of Fls. 1000, last paid in February, will also continue to be paid in December of 1983, '84 and '85.

Combenio nobo firmá pa Lago, IOWUA

Dia 11 di Februari, 1983, Independent Oil Workers Union of Aruba, y Lago a firma e Combenio Colectivo di Trabow nobo, cual a bira efectivo dia 1 di Februari, 1983, y lo caducá dia 15 di Juli, 1986.

Na number di Lago e contrato nobo a ser firmá pa Presidente, G.E. Golden; Manager di Employee Relations, H.F. Coffi; y Chairman di Management Bargaining Representatives, M. Angela.

Firmantenan pa IOWUA tabata M. Arends, Presidente; F. Garrido, Secretario General y R.C. Boekhoudt, Tesorero.

E combenio nobo a ser ratificá ora cu miembronan di Sindicato a vota dia 28 di Januari pa aceptá e Acuerdo en Principio cu ya kaba representantenan di IOWUA y Lago a aprobá.



Firmantenan pa IOWUA, sintá di robz pa drechi, Srs. Ramiro Boekhoudt, Milo Arends y Felix Garrido, mientras cu Carlos de Cuba di Public Relations ta observando.

E combenio nobo ta enserá e siguiente mehoracionnan principal:

*** 11.0% di Aumento General di Salario cual ta inclui un mehoracion di aumento general di 4%, ademas di compensacion di COL.

*** Tres vez pa aña, ahustamento di costo di bida ariba salario.

*** 1% di aumento den e contribucion di Compania na Vacation Savings Plan (di 5% pa 6%).

*** Un solo suma di Fls. 550.

*** Aumento pa trabow di warda di Fls. 1.49 pa Fls. 1.75 pa ora.

*** Aumento den reembolso pa cuminda di overtime for di Fls. 2.15 pa Fls. 2.50 pa ora.

*** Aumento den transportacion pa overtime di 50 pa 52 cent pa kilometer.

*** Service-in-Grade increments a aumentá pa lo siguiente:

5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
20c hr	28c hr	45c hr	56c hr	62c hr

? Mi lo kier sa

Nota editorial: De vez en cuando, empleadonan repetidamente ta haci cierto preguntanan. Ora ta wordo pensá cu otro empleadonan tambe lo por beneficia, tal pregunta y contesta lo haya mas publicacion. Aki bao ta sigi un pregunta cu a wordo haci frecuentemente durante e ultimo lunanan.

Pregunta: Cual ta e procedimiento mi mester sigi cu e formulario di reclamo Dental y Medico?

Contesta: Manera a ser anunciá den un carta na tur empleado na fin di December, '82, cambionan a ser haci den e procedimiento di reclamo. E empleado mester yena e parti ariba di e formulario cual ta disponible na Oficina 155 di G.O.B.

Despues cu e dokter of hospital yena e parti patras di e formulario e mester wordo mandá pa American Life Insurance Company (ALICO). E ora e compania di seguro lo paga e dokter of hospital di acuerdo cu e programa y lo mandabo un copia di "Splicacion y Beneficio".

Esaki lo informabo di locual e Compania di seguro a paga, ki dia esey a wordo haci, y kiko bo saldo ta, si tin algun, cu cu bo debe na esnan cu a dunabo servicio. Si bo a paga bo recibo, bo mester manda bo recibo di pago hunto cu e formulario pa e Compania di seguro kende e ora lo pagabo directamente.

*** Mehoracion den dianan di vacacion pa esnan cu un aña di servicio, di 15 pa 18 dia y pa esnan cu mas di 20 aña di servicio di 23 pa 24 dia di vacacion.

*** E plan pa reembolso di gastonan medico y e programa di reconocimiento na esnan cu hopi aña den servicio a ser mehorá significativamente. E contenido di e programanan aki a wordo cubri extensivamente den e edicion di Februari di Aruba Esso News.

*** E Dental Plan awor ta cubri 75% di cuidu preventivo cu un maximo di Fls. 100 pa persona pa aña calendario. E ta cubri tambe 50% di tratamiento basico y major te cu Fls. 1,000 pa persona pa aña y Fls. 2,500 pa famia pa aña, sea ariba of pafor di Antillas Neerlandes. E plan a ser extendí pa cubri jiunan te cu 23 aña si nan ta bai school y tambe yiunan ariba 19 aña cu no ta capaz di sostené nan mes pa motibo di retardacion mental of algun handicap fisico si asina aprobá pa e Director Medico di Lago.

*** Tempo liber adicional cu pago a ser duná pa nacemento di jiu legal di empleado of jiu legalmente reconoció, cambio den residencia di empleado pa registrá mudanza, pa ricibí reconocimiento di 10 aña di servicio y pa reunion di asuntonan di Sindicato.

Ademas, e bonus tradicional di Pascu lo sigi wordo pagá den forma di un pago regular di 4 siman na December di 1983, '84, y '85. E suma total di Fls. 1000 cu ta wordo pagá na fin di aña, y ultimo a ser paga na Februari, tambe lo sigi wordo pagá na December di 1983, '84 y '85.

Seguridad, resultado di esfuerzo mutuo



Algun empleado den Mechanical shops akinan ta muestra Sr. Monk di Du Pont con nan ta ehercé nan trabow ateniendo nan mes na reglanan di seguridad.

Mayoria di empleado sabi cu e record di seguridad di Lago di 1982 tabata mihor cu di aña '81 y '80. E record di Lago tabata suficientemente bon cu ela conquistá e tercer lugar den e contest di 1982 cu National Safety Council tabatin pa companianan di Refinacion y Productonan Petrolera. Sinembargo, den asuntonan di seguridad, e meta ta semper pa reducí e nivel di accidente na zero.

Pa haci Compania un lugar ainda mas sigur pa traha, Lago a contratá un Du Pont Senior Safety Consultant pa asistí den e continuo mehoracion den eheccion di seguridad na Lago.

Dikon Du Pont? E negoshi aki cu tin 180 aña di existencia, historicamente a trata cu seguridad manera un tesoro: pa mas o menos 100 aña, e famia Du Pont tabata fabricá productonan explosivo, y falta di seguridad lo por a nificá liquidacion inmediato. Du Pont, un compania di 150,000 empleado repartí ariba henter mundo, tin 100 vez un mihor eheccion di seguridad ora comparele cu e averahe total industrial. Un planta di Du Pont a logra acumulá 66 miyon ora obreril sin ningun accidente incapacitante. Y por lo menos 100 di su 140 plantanan tin mas di 1 miyon ora obreril sin accidente incapacitante. Basá ariba Du Pont su experiencianan exitoso den seguridad, e compania a establecé un servicio di consulta den seguridad.

Sr. Dwight Monk, un Profesional di Seguridad Certificá di Du Pont recientemente tabata akinan ariba un bishita di tres siman. Sr. Monk a bisa cu e promer paso cu e mester a tuma promer cu e por a recomendá plan di accion den seguridad tabata di siña locual tabata sosodé den refineria door di "pasa hopi tempo observando con empleadonan ta haci nan trabow." Tambe ela entrevistá hende di tur nivel di operacion, di Presidente di Lago, pa Directiva di Sindicato, y empleadonan cu ta traha den planta.

"Na Du Pont nos ta kere cu seguridad ta e resultado di un bon esfuerzo mutuo entre empleado y gerencia," Sr. Monk a comentá. "Gerencia ta responsabel pa pone prioridad, provee un direccion general pa e esfuerzo di seguridad, establecé reglamento y procedimiento cu e ayuda di empleado, y controlá e progreso di e eheccion di seguridad."

Y e empleadonan, "nan ta responsabel pa sigi e regla y procedimientonan," Sr. Monk a bisa. "Pero ya cu no tin regla pa tur cos, nan lo mester planea seguridad den tur trabow cu nan ta haci, y entregá sugerencia pa mehoracion di seguridad. Tambe Sr. Monk a observá cu empleadonan mester desaroyá un "actitud di preocupacion pa prohimo. Esaki ta nificá cu un empleado mester kier duna otronan conseho ariba seguridad y na mesun tempo no rabia ora un otro hende duné un conseho."

Despues di a studia e regla y procedimientonan, analisá con seguridad ta wordo comunicá y con empleado ta ser involví den seguridad, Sr. Monk a desaroyá su recomendacionnan basá ariba locual Du Pont, pa experiencia, a demostrá di ta efectivo. Y aunque Sr. Monk ta pensa cu lo tuma algun tempo pa su recomendacionnan tin algun efecto ariba estadistica di eheccion di seguridad, ela bisa, "Nos ta kere cu seguridad ta bon pa negoshi, y cu tur accidente por wordo prevení." Seguramente esey ta un bon filosofia pa pone den practica.

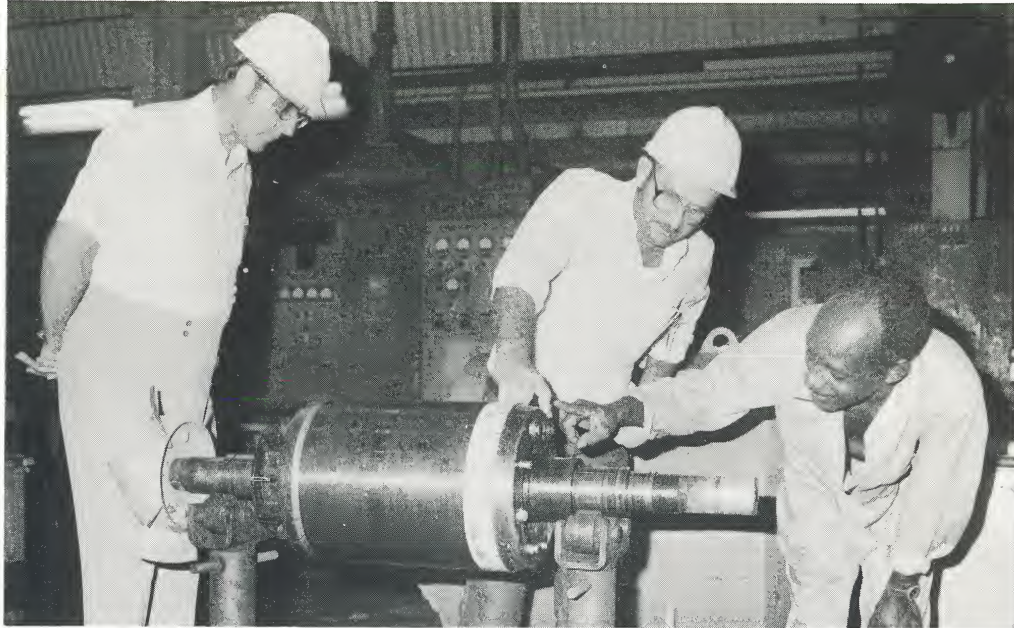
Formulario pa beca disponible awor

Formulario di Aplicacion pa asistencia di Lago Scholarship Foundation ta disponible desde awor te cu dia 31 di Maart na e siguiente lugarnan:

Colegio Arubano - Sra. Ans Visser
MTS Seroe Blanco - Administracion
Lobby di G.O.B. - Security Guard

Formularionan cu a ser completá mester wordo entregá na Oficina 165 di G.O.B. promer cu dia 8 di April, 1983.

Safety, result of team effort



One of the many places that Mr. Monk visited on his 'safety' tour of the refinery was the Mechanical Shops. Here some employees are showing him how they perform their jobs with safety in mind.

Most employees are aware that Lago's 1982 safety record was better than that of '81 and '80. Lago's record was even good enough that it placed third in the 1982 National Safety Council contest for Petroleum Products and Refining companies. Still, in matters of safety, the aim is always to reduce the injury level to nil. To make the Company an even safer place to work at, Lago has contracted a Du Pont Senior Safety Consultant to assist in further improving Lago's safety performance.

Why Du Pont? This 180 years old business has historically treasured safety: for about 100 years the Du Pont family has been manufacturing explosives, and lack of safety could have meant instant liquidation. Du Pont, a company with 150,000 employees spread out all over the world, has a 100 times better safety performance when compared to the all-industry average. One Du Pont plant managed to accumulate 66 million exposure hours without a disabling injury. And at least 100 out of its 140 plants have more than 1 million exposure hours without a disabling injury. Out of the company's successful safety experience came the Du Pont safety consulting service.

Mr. Dwight Monk, a Certified Safety Professional from Du Pont, was recently here on a three week visit. Mr. Monk said that the first step he had to take before recommending any safety action plan was to learn what goes on in the refinery by spending "a considerable amount of time watching how Lago employees performed their jobs." He also interviewed people from all levels of refinery operations, from the Lago President, to the Union board members, to the employees working in the field. "We at Du Pont believe that safety is the result of a good team effort between employees and management," commented Mr. Monk. "Management is responsible for setting priorities, providing the overall direction of the safety effort, establishing rules and procedures with the help of employees, and monitoring the progress of safety performance."

As for the employees, "they are responsible for following the rules and procedures," said Mr. Monk. "But as there

are no rules for everything, they should plan safety in every job they do, and turn in suggestions for safety improvement." Mr. Monk also observed that employees should develop a "brother's keeper attitude. This means that an employee should be willing to pass on safety advice to others and at the same time not become upset when someone else passes on advice to him."

After looking at Lago's rules and procedure, analyzing how safety is communicated and how people are involved in safety, Mr. Monk has developed his recommendations based on the things Du Pont, by experience, has proven to be effective.

Even though Mr. Monk thinks that it will take some time before his recommendations take effect on the safety performance statistics, he said "We believe that safety is good business and that all injuries can be prevented." Certainly a good philosophy to live by!

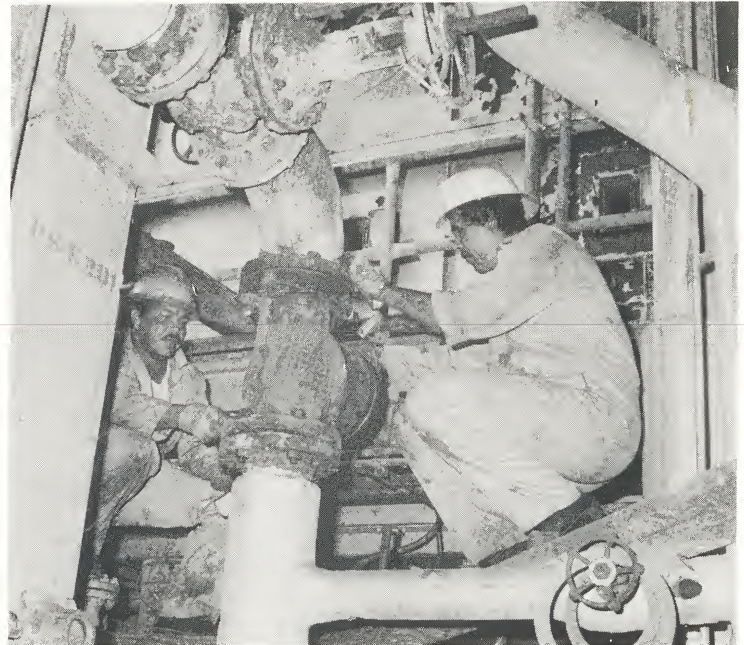
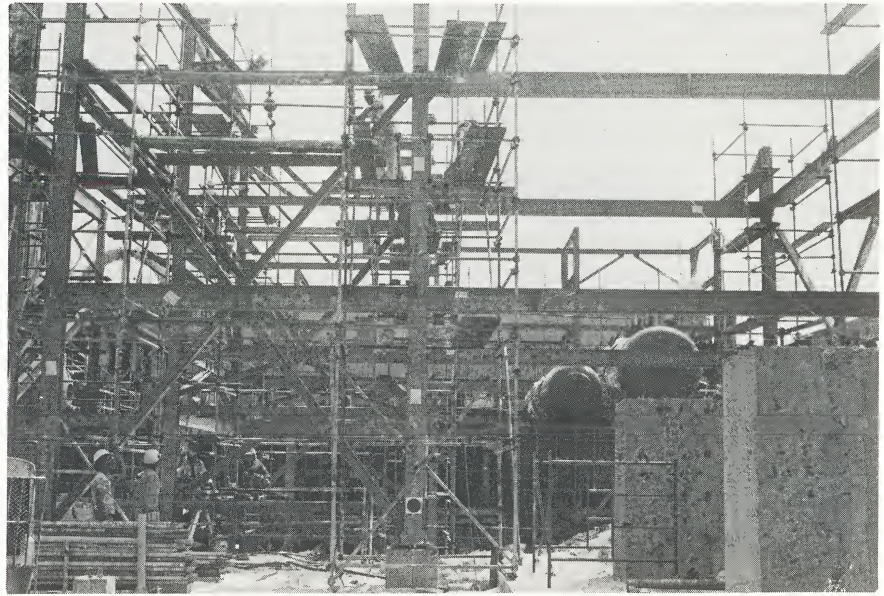
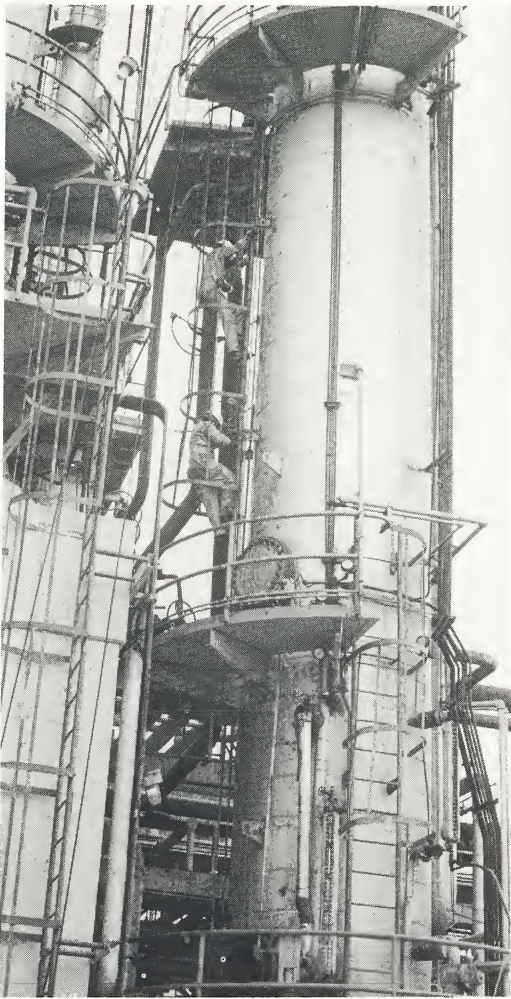
LSF application available now

Application forms for the Lago Scholarship Foundation assistance are available now until March 31 at the following locations:

Colegio Arubano - Mrs. Ans Visser
MTS Seroe Blanco - Administration
G.O.B. Lobby - Security Guard

Completed forms should be returned to Room 165 of the G.O.B. not later than April 8, 1983.

Refinery People



Units undergo turnarounds, buildings are constructed, and repairs are made The refinery keeps running!
 There's no place for phobias in a place like this. There are towers to climb, high scaffolds to stand on, and dark, closed-in furnaces to work in ...
 The Refinery is bustling with activity, and it's the refinery people who are doing the job.

